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New TIFIN Give feature allows for public DAF campaigns
By Rob Burgess
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For both emotional and taxation reasons, the end of the year is generally seen as the season of giving.

In that spirit, a recently released feature on the philanthropic planning platform TIFIN Give allows for those with donor-advised funds (DAFs) to encourage others to join them in supporting causes they care about without using an external platform.

A GoFundMe for DAFs
A DAF is a fund clients establish to set aside cash and other assets for charitable giving.Donations of appreciated assets, such as stock or real estate, can be made to the DAF without paying capital gains taxes. DAFs allow individuals to bundle several years of charitable donations into one high-earning year, maximizing tax benefits while spreading gifts to various charities over time.

Paul Lussow, CEO of TIFIN Give, said this new functionality should allow donors "to amplify their philanthropic influence while engaging their networks in meaningful contributions" and can be shared by social media, emails, texts and QR codes. For example, following recent Hurricanes Helene and Milton, DAF holders used TIFIN Give to raise funds for disaster relief organizations and process grants directly through the platform.

In addition, every donor receives a tax receipt. TIFIN Give institutes DAF admin fees for both enterprise and individual advisors with no account minimums and no fees on accounts less than $500. (They are not publicly sharing the number of users at this point.)

Lussow said the development of this feature came about after hearing requests from clients. It took about three months to bring the idea to market, Lussow said, but they had been thinking about it for quite some time beforehand. Other outside platforms like GoFundMe are already using such a structure.

"The technology that we develop enables collective impact through wealth firms," he said. "That's the novel part. We've always looked for opportunities to release features that add value to both our end clients, which are the donors, but our approximate clients, which are wealth advisors."

DAFs more popular with some advisors than others
Many advisors favor DAFs for their clients because they allow clients to realize immediate tax benefits while giving them the flexibility to distribute funds to charitable causes at a time that aligns with their personal goals.

Danita Harris, CEO of GUICE Wealth Management in New York, said she actively works with clients with DAFs "as they provide an efficient and flexible solution." She said she also partners with corporations that sponsor DAF programs to extend the reach of their giving initiatives.

"By leveraging these partnerships, I ensure clients benefit from professional management of charitable funds, streamlined administration and access to vetted nonprofit organizations, which enhances both impact and peace of mind," she said.

Jack T. Lowe, wealth strategist at New Republic Partners in Charlotte, North Carolina, said his firm is objective in assessing the appropriate vehicle and structure for a family.

"That can include DAFs, private foundations and charitable trusts," he said.

Lower said while there are several options for charitable giving, many families do value DAFs because of their efficiency to set up and administer.

"We have strong partnerships with community foundations, which can be a valuable resource to the family, and other families prefer to have a DAF at their custodian," he said. "The DAF can be a great tool for charitable gifting, but it's not the only one. Finding the right structure for gifting is imperative in the context of our client's overall financial picture and charitable goals, and we spend time educating and advising families on the pros and cons of each structure and related partners."

Others are more skeptical of DAFs, including Donald Summers, founder and CEO of Altruist Partners in Seattle. While DAFs are popular, "this money needs to be put to use."

"While finding a good nonprofit may be hard, it is far better to try multiple organizations and see what they do with the money than park everything in a DAF and kick the challenge down the road," he said. "The problems we face today are urgent, and there are many nonprofits that are rising to these challenges and solving them. So, it's much better for the world and for future generations to take action now. The social risk of parking dollars in a DAF is far higher than the risk of making charitable gifts, even with limited information."